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The Manual as a **Benchmark for Quality**

by Penny Hopkinson, Founder, Manual Writers International

“ When combined with appropriate training and good support, the Operating Manual becomes an extremely powerful quality management tool, worth many thousands of pounds, to which the franchisee will refer at all stages of the life-cycle of their business.



After the Franchise Agreement, the Operating Manual (also referred to as the Operations or Operational Manual or, simply, ‘the Manual’) is the most important document issued to the franchisee. While the Agreement sets out the contractual obligations between franchisor and franchisee, a good will document - in operational detail - precisely what must be undertaken by franchisees to fulfil their obligations. Because the Manual underpins the Agreement, it provides a fair benchmark for the type of support the franchisees are likely to receive from their franchisor. Therefore, it would be wise for an intending franchisee to evaluate the Manual as part of due diligence – ie. before signing the Franchise Agreement.

Under the terms of the Agreement, the franchisor is obliged to issue a copy of the Operating Manual to each franchisee – usually at Initial Training - as part of the Initial Franchise Package. The Manual is provided on loan for exclusive use by the franchisees and staff for the duration of the term granted.

However, not all franchisors at start-up or as the business matures and changes, give the Manual the high priority it and their franchisees deserve. This may be because the importance, scope and functionality of the Manual are under-estimated, or because it is difficult to develop from scratch and onerous to maintain. This is also true when the budget is tight or when the management is under constant pressure due to rapid expansion of the network. However, if a franchisee is unable to understand how to operate the System correctly to stated quality standards, then the franchisor cannot blame the franchisees for failing to deliver consistent brand, quality and customer excellence.

To be effective, the Manual must be considered a work in progress - a living document that transfers the franchisor’s Know-How and Business System and reflects any changes, modifications and additions to working methods and practices. Therefore, it is also the franchisor’s contractual obligation to keep the Manual up to date.

When combined with appropriate training and good support, the Operating Manual becomes an extremely powerful quality management tool, worth many thousands of pounds, to which the franchisee will refer at all stages of the life-cycle of their business. When every franchisee complies with the Terms & Conditions of the Agreement and follows operational detail contained in the Operating Manual, the Franchise Network becomes strong – and successful. Of course, the reverse is also true; and a seriously out of date manual will be worthless.

These days, franchisees are just as likely to be issued with a Manual in electronic format as in a hard copy version. Depending on the type of business operated by the Franchisor, and the franchisee profile, the Manual may be issued on CD-Rom or available through the franchisor’s secure Intranet. It may comprise one or a number of volumes and may encompass and/or reference other manuals such as equipment manufacturers’ instructions, data protection and health and safety requirements.

All information contained in the Manual is confidential. It will be protected by copyright and must not be given to – or fall into the hands of - anyone who is not specifically authorised. Therefore, before an intending franchisee is able to see the Manual, the franchisor is likely to insist on a written undertaking of confidentiality. Even so, the intending franchisee may not be given the opportunity to look through the Manual in any depth until the Franchise Agreement is signed.

An Operating Manual that is fit for purpose must be:

- Up to date.
- Detailed.
- Relevant.
- Easy to read.
- Easy to understand.
- Easy to navigate.



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For a newly franchised business, it is acceptable to develop the Operating Manual gradually as systems are developed and procedures are improved through experience and consultation with the first franchisees.

Ask to see a copy of the Manual

Ask to see a copy of the Manual and, if necessary, offer to sign an Undertaking of Confidentiality. A franchisor who subsequently refuses to show you a copy of the Manual may have something to hide – eg. it may not exist, or be seriously out of date.

Find out when the Manual was last updated

Ask the franchisor when the Manual was last updated and, if available, check for evidence – eg.

- A Copyright Notice published in the front of the Manual.
- A Record of Amendments provided in the front of, or with the Manual.
- The date published against the copyright symbol © at the top or bottom of a page. A series of updates may be demonstrated by different dates across a number of pages.

Another indication that the Manual hasn't been updated regularly may be found within the body of the Manual an example of which is the IT equipment specification that refers to a version of the software program that has been superseded by one or more versions.

If appropriate, confirm when updates are planned and obtain this in writing.

Evaluate the Structure, Contents & Content

Turn to the main Contents page(s) at the front of the Manual. Scan the headings.

A good Structure will be based upon:

- Two main principles of the Agreement - the franchisee's Initial Obligations (eg. New Business Set-up & Support) and the franchisee's Ongoing Obligations (eg. Day to Day Operating Requirements).

Comprehensive Content may be evidenced by:

- A detailed list of Contents with several pages of headings and sub-headings that will enable franchisees to identify swiftly what they need and where to find it easily.

New Business Set-up & Support must provide, in detail:

- A breakdown of all the resources and actions necessary to launch a franchise successfully; and
- Information about the support the franchisor will give you post-opening and throughout the life time of the business to facilitate growth.

Day to Day Operating & Management Requirements must cover core operating brand standards and operational procedures to deliver consistency and excellence for every element of the business – eg. Recruitment & Training, Products & Pricing, Marketing & Promotion, Customer Service, Finance, Health & Safety, Logistics.

Evaluate a sample of the Content

From the Contents page, pick a topic of which you have little or no knowledge. Locate the appropriate pages and read to see if you understand the Content.

Checklists are useful but the 'devil is in the detail' that lies behind them. The topic must be described fully and clearly in operational detail – ie. you understand when, where and how to carry out a procedure and what are the minimum operating standards.

A supportive franchisor will also provide mechanisms for monitoring and control to assure conformity and uniformity throughout the franchisee network and set benchmarks for improvement – eg. annual franchisee audit system, Key Performance Indicators (KPIs), financial reviews, reports and action plans.

If Content seems to be inadequate, ask the franchisor if additional documentation is available elsewhere – eg. online, accessed by a secure Intranet or in another manual.

For a newly franchised business, it is acceptable to develop the Operating Manual gradually as systems are developed and procedures are improved through experience and consultation with the first franchisees. If the franchise is Provisionally Listed in accordance with British Franchise Association's requirements, the Manual may be developed as a Edition but will need to be developed into a full within two years if Associate Membership is to be considered.

Don't be fooled by appearances

Appearances, too, may be deceptive. Just because the design is imaginative and the production glossy, it doesn't mean the Content is comprehensive. It may be a veneer to cover some inadequacy. The most useful manuals often look boringly basic because they are functional and easy to update year on year. Similarly, simplicity of a System should not be confused with a franchisor's ability [or otherwise] to provide the franchisee with a comprehensive and effective reference work covering all aspects of the business.

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